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26 SEP 1962

MEMORANDUM FOR THE PRESIDENT

Several reports have appeared in the press in recent days which either state or imply that ships registered under the flags of Panama, Liberia or Honduras, but owned by U.S. citizens, are engaged in the Cuban trade. The targets of these reports are the "Flag of Convenience" ships deemed by the United States to be under "effective U.S. control."

I wish to assure you that no foundation to such reports appears to exist. Our intelligence relating to identity, registry and direct and indirect ownership of ships calling at Cuban ports is very complete. That intelligence indicates that no ship of Panamanian, Liberian or Honduran registry which is directly or beneficially owned by a U.S. citizen or corporation has engaged in trade with Cuba during 1962. In particular, I wish to stress that none of the "Flag of Convenience" ships listed as under "effective U.S. control" has been involved in the Cuban trade during this period.

FRED KORTH
SECRETARY OF THE NAVY

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